### 2003 DRAFTING REQUEST

### Bill

Received: 05/30/2003					Received By: mkunkel		
Wanted: As time permits					Identical to LRB:		
For: Scott Jensen (608) 264-6970					By/Representing: Brett Healy		
This file may be shown to any legislator: NO					Drafter: mkunkel		
May Contact:					Addl. Drafters:		
Subject: Public Util electric				Extra Copies:	RJM		
Submit v	via email: YES	1					
Requester's email: Rep.Jensen@legis.state.wi.us					·		
Carbon c	copy (CC:) to:						
Pre Top	oic:						
No speci	fic pre topic gi	iven	<b>,</b>				
Topic:					· · · · · · · · · · · · · · · · · · ·		
Withdray	wal of transmis	ssion company	from indeper	ndent system	operator or region	al transmissior	n company
Instruct	ions:						
Prepare 2	Assembly com	panion bill to S	cn. Cowles'	request			
Drafting	g History:						
Vers.	<u>Drafted</u>	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
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06/05/2003 02:58:02 PM Page 2

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Subject:

Public Util. - electric

Extra Copies:

**RJM** 

Submit via email: YES

Requester's email:

Rep.Jensen@legis.state.wi.us

Carbon copy (CC:) to:

PA: Jacket
Please Jacket

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**Pre Topic:** 

No specific pre topic given

Topic:

Withdrawal of transmission company from independent system operator or regional transmission company

**Instructions:** 

Prepare Assembly companion bill to Sen. Cowles' request

**Drafting History:** 

Vers. Drafted Reviewed <u>Typed</u> **Proofed Submitted Jacketed** Required

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MEMBER: Environmental Resources Committee Health, Utilities, Veterans and Military Affains Committee Joint Committee for Review of Administrative Rules

May 22, 2003

To: Mark Kunkel

From: Jennifer Halbur

Re: Drafting Request

Per our conversation, I have attached language Senator Cowles would like to have drafted.

Please contact me at 266-0484 if you have any questions.

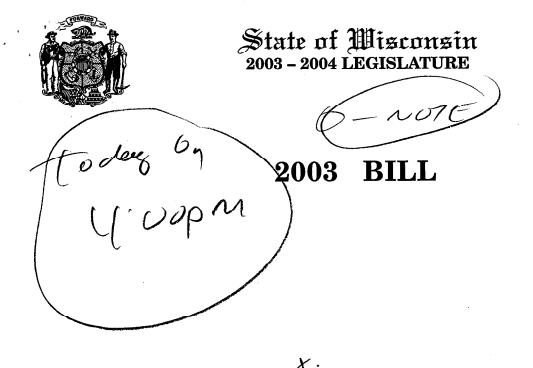
Confidential May 19, 2003

#### **MISO Amendment**

Create new sec. 196.485 (3m)(b)3., as follows:

"3. Upon a determination of the commission that such withdrawal is in the public interest, and subject to any other required regulatory approvals, withdraw from the Midwest independent system operator or any other independent system operator or regional transmission organization of which it is or becomes a member."

Repeal sec. 196.485(3m)(a)1.e.



LRB-2780/1 MDK: .....

AN ACT ...; relating to: membership duties of transmission company responsible

for electric transmission in this state.

### Analysis by the Legislative Reference Bureau

This bill allows the American Transmission Company (ATC) to withdraw as a member of the Midwest Independent System Operator (MISO). The ATC is a limited liability company created under state law that operates and maintains electric transmission facilities that were transferred to it by certain electric utilities. The MISO is an organization that is subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC) and that facilitates electric transmission in a region of the country that includes this state.

Current law requires the ATC to apply and remain a member of the MISO for a period of time specified in an agreement conditionally approved by FERC that established the MISO. This bill allows the ATC to withdraw as a member of the MISO (or any similar organization), but only if the Public Service Commission (PSC) determines that the withdrawal is in the public interest. Also, the withdrawal is subject to any approvals required under federal or state law.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

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196.485 (3m) (a) 1. e. Remain Except as provided under par. (b) 3., remain a member of the Midwest independent system operator, or any independent system operator or regional transmission organization that has been approved under federal law to succeed the Midwest independent system operator, for at least the 6-year transition period that is specified in the agreement conditionally approved by the federal energy regulatory commission that establishes the Midwest independent system operator.

History: 1997 a 204; 1999 a 9,75; 2001 a 104. SECTION 2. 196.485 (3m) (b) 3. of the statutes is created to read:

196.485 (3m) (b) 3. Subject to any approval required under federal or state law, withdraw from the Midwest independent system operator or any other independent system operator or regional transmission system of which the transmission company is or becomes a member, if the commission determines that the withdrawal is in the public interest.

(END)

organization

LRB-2780/1dn MDK:/

Άs

Rep. Jensen

(Separator Cowless:

This bill allows the ATC to withdraw from the MISO. However, I'm not sure what changes, if any, are necessary to the following statutes, which aren't affected by this bill:

- 1. Under s. 196.485 (3m) (a) 1. d., the ACT must transfer operational control of its transmission facilities to the MISO. If the ACT withdraws from the MISO, does it, or must it, regain operational control over its transmission facilities? Should the statute be revised to address this issue?
- 2. Under s. 196.485 (4) (am), certain electric utilities are required to become members of the MISO and transfer operational control over their transmission facilities to the MISO.
- 3. Under s. 196.485 (1m) (b) and (c), the exclusive duty to provide transmission service transfers from the ATC to the MISO when the MISO begins operations.

If you want any changes to the bill, please let me know.

Mark D. Kunkel Senior Legislative Attorney Phone: (608) 266–0131

E-mail: mark.kunkel@legis.state.wi.us

(which is an Assembly coules request)

Companion to Senator Coules request

LRB-2780/1dn MDK:cjs:jf

June 2, 2003

#### Rep. Jensen:

This bill (which is an Assembly companion to Senator Cowles' request) allows the ATC to withdraw from the MISO. However, I'm not sure what changes, if any, are necessary to the following statutes, which aren't affected by this bill:

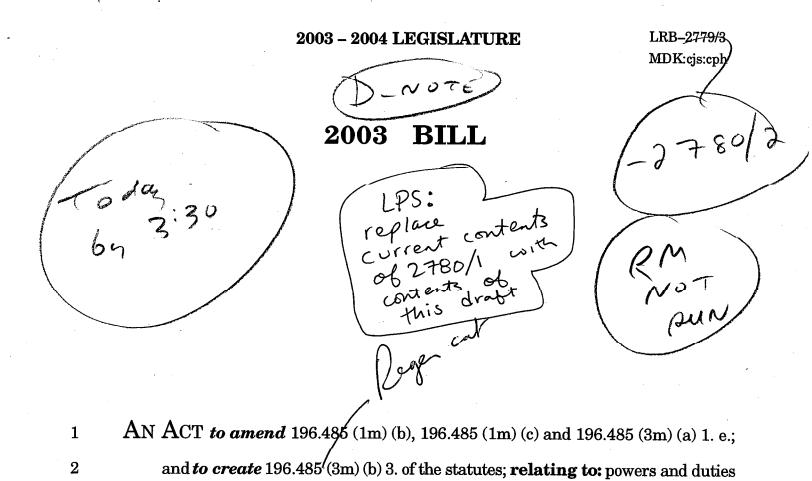
- 1. Under s. 196.485 (3m) (a) 1. d., the ATC must transfer operational control of its transmission facilities to the MISO. If the ATC withdraws from the MISO, does it, or must it, regain operational control over its transmission facilities? Should the statute be revised to address this issue?
- 2. Under s. 196.485 (4) (am), certain electric utilities are required to become members of the MISO and transfer operational control over their transmission facilities to the MISO.
- 3. Under s. 196.485 (1m) (b) and (c), the exclusive duty to provide transmission service transfers from the ATC to the MISO when the MISO begins operations.

If you want any changes to the bill, please let me know.

Mark D. Kunkel Senior Legislative Attorney

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### Analysis by the Legislative Reference Bureau

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state.

of transmission company with responsibilities for electric transmission in this

This bill allows the American Transmission Company (ATC) to withdraw as a member of the Midwest Independent System Operator (MISO). The ATC is a limited liability company created under state law that operates and maintains electric transmission facilities that were transferred to it by certain electric utilities. The MISO is an organization that is subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC) and that facilitates electric transmission in a region of the country that includes this state.

Current law requires the ATC to apply for membership in and remain a member of the MISO for a period of time specified in an agreement conditionally approved by FERC that established the MISO. Also, current law specifies that the ATC has the exclusive duty to provide electric transmission service in this state until the MISO begins operations, except that the exclusive duty does not apply to electric transmission service provided by electric utilities that have not transferred their transmission facilities to the ATC. After the MISO begins operations, current law provides that the MISO has the duty, not the ATC.

This bill allows the ATC to withdraw as a member of the MISO (or any similar organization), but only if the Public Service Commission (PSC) determines that the

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withdrawal is in the public interest. Also, the withdrawal is subject to any approvals required under federal or state law. If the ATC withdraws from the MISO under the bill, the exclusive duty to provide electric transmission service in this state reverts to the ATC. As under current law, the exclusive duty does not apply to electric transmission service provided by electric utilities that have not transferred their transmission facilities to the ATC. Finally, the bill provides that if the withdrawal occurs, the ATC assumes any power or duty granted by state law before the withdrawal to the MISO.

### The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

**SECTION 1.** 196.485 (1m) (b) of the statutes is amended to read:

196.485 (1m) (b) After beginning operations, the transmission company shall, except for transmission service provided by an electric utility that has not transferred its transmission facilities to the transmission company, have the exclusive duty to provide transmission service in those areas in which transmission facilities have been contributed. The duty under this paragraph shall terminate on the date, as determined by the commission under sub. (2) (d), that the Midwest independent system operator begins operations, except that the duty shall revert to the transmission company if the transmission company withdraws from the Midwest independent system operator under sub. (3m) (b) 3. If the transmission company makes such a withdrawal, the transmission company shall assume any power or duty granted by state law before the withdrawal to the Midwest independent system operator.

**Section 2.** 196.485 (1m) (c) of the statutes is amended to read:

196.485 (1m) (c) After beginning operations, the Midwest independent system operator shall, except for transmission service provided by an electric utility that has not transferred control over its transmission facilities to the Midwest independent system operator, and except as provide in par. (b), have the exclusive duty to provide

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transmission service in the transmission area and shall ensure that each transmission facility in the transmission area that is under its operational control is planned, constructed, operated, maintained and controlled as part of a single transmission system.

**SECTION 3.** 196.485 (3m) (a) 1. e. of the statutes is amended to read:

196.485 (3m) (a) 1. e. Remain Except as provided under par. (b) 3., remain a member of the Midwest independent system operator, or any independent system operator or regional transmission organization that has been approved under federal law to succeed the Midwest independent system operator, for at least the 6-year transition period that is specified in the agreement conditionally approved by the federal energy regulatory commission that establishes the Midwest independent system operator.

**SECTION 4.** 196.485 (3m) (b) 3. of the statutes is created to read:

196.485 (3m) (b) 3. Subject to any approval required under federal or state law, withdraw from the Midwest independent system operator or any other independent system operator or regional transmission organization of which the transmission company is or becomes a member, if the commission determines that the withdrawal is in the public interest.

(END)

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LRB-2780/2dn MDK /.....

Representative Jensen:

This bill is identical to Senator Cowles' LRB-2779/3.

Mark D. Kunkel

Senior Legislative Attorney

Phone: (608) 266-0131

E-mail: mark.kunkel@legis.state.wi.us

LRB-2780/2dn MDK:cjs:ch

June 5, 2003

Representative Jensen:

This bill is identical to Senator Cowles' LRB-2779/3.

Mark D. Kunkel Senior Legislative Attorney Phone: (608) 266–0131

E-mail: mark.kunkel@legis.state.wi.us